

EXHIBIT G

Albany-Dougherty County Hospital Authority Lease Analysis

Prepared for Langley & Lee LLC on behalf of Albany-Dougherty County Hospital Authority



EXHIBIT G - 1

Hospital Authority Board Presentation

May 31, 2005

PRIVILEGED

Attorney - Client Communication
Attorney Work Product

PHOEBE PUTNEY HOSPITAL AUTHORITY LEASE ANALYSIS

Executive Summary

Study Highlights

The Board of Trustees of the Albany-Dougherty County Hospital Authority requested that PricewaterhouseCoopers complete a comparison of Phoebe Putney Memorial Hospital operations to relevant peer groups and national standards for the purpose of assisting in evaluating their obligations under the Lease Agreement. The analysis provides data to support the Trustees in evaluating the following questions with regard to the lessee's performance.

- Has the financial management been of a caliber that we are confident that the debt service will be met and the organization will continue to operate in the foreseeable future?
- Has the quality of care been at a level for the lessee to continue to participate in health insurance plans?
- Have the physical assets been adequately maintained? At the termination of the Lease, what are the assets that would be returned to us?
- Has the Lease resulted in a reduction of cost to the community?
- Has the lessee met its obligations regarding the delivery of care to the indigent?
- Has the lessee maintained its tax exempt status?

The analyses were completed through evaluation of available, comparative data sources. Phoebe Putney was compared to the Standard and Poor's AA rated medians and to the operations of comparable size hospitals that operate as Georgia Hospital Authorities as well as free-standing hospitals in the southeast of comparable size to Phoebe Putney and in counties of similar population to Dougherty County.

Key Findings

Has the financial management been of a caliber that we are confident that the debt service will be met and the organization will continue to operate in the foreseeable future?

- From a Financial Management standpoint, Phoebe Putney maintains a "AA" bond rating, which represents a top rating for not for profit hospitals with outstanding tax exempt debt.
- Phoebe Putney's operating margin percent, long-term debt to capitalization, and liquidity ratios approximate or favorably exceed median "AA" values.
- Net patient revenue per admission and operating cost per admission are comparable to both the peer groups.

Has the quality of care been at a level for the lessee to continue to participate in health insurance plans?

- Phoebe Putney was compared to its peer group hospitals in the areas of quality using the quality indicators of inpatient mortality and complication rates, utilizing HealthShare One™ methodologies and 2003 MedPAR data.
- According to Healthshare One, Phoebe Putney compared favorably overall with the peer groups. In more than half the specific clinical quality comparisons, Phoebe Putney performed, on a relative basis, above the average. There were specific instances where the data indicated Phoebe Putney performed at or below the average of this peer comparison data.

PHOEBE PUTNEY HOSPITAL AUTHORITY LEASE ANALYSIS

It should be noted that at any hospital the major driver of quality of care is still the physician. Physicians control clinical care decisions, and through their actions and responsibilities control by far the majority of factors affecting quality of care.

Have the physical assets been adequately maintained? At the termination of the Lease, what are the assets that would be returned to us?

- Phoebe Putney's Average Age of Plant compares favorably to the median Standard and Poor's AA rated hospitals, indicating a more up to date facility and investment in current technology.
- Investment in plant and equipment has increased significantly over the term of the Lease, including \$145 million on services and equipment beyond routine replacement and upkeep requirements. This includes a combination of updated facilities and expansion into specialized new service offerings (e.g., neonatal intensive care, hospice, and private practice residency programs)

Has the Lease resulted in a reduction of cost to the community?

- Costs to the community are evaluated based on average charges per admission, in which Phoebe compares favorably to its peers.
- More specific analyses include average charges by service line or Diagnosis Related Group ("DRG"). Charges and length of stay by service line (and severity adjusted) further support that Phoebe Putney's rates are reasonable and hospital inpatient stays compare favorably to its peers.

Has the lessee met its obligations regarding the delivery of care to the indigent?

- Phoebe Putney has met its requirement per the Lease Agreement to maintain indigent care at a level of at least 3% of gross revenues (adjusted for certain contractual adjustments and bad debts). Phoebe Putney significantly increased its charity care percentage over the last five years.
- Phoebe Putney provides a higher level of uncompensated charity care than the average of its Georgia peers.

Has the lessee maintained its tax exempt status?

- Hospitals maintain exempt status until revoked.
- Phoebe Putney compared favorably to other tax exempt providers in its peer groups when comparing community benefit as disclosed on Form 990.
- Phoebe has significantly invested in expanding service capabilities and access to an expanded service area during the term of the Lease.



- Has the financial management been of a caliber that we are confident that the debt service will be met and the organization will continue to operate in the foreseeable future?
- Has the quality of care been at a level for the lessee to continue to participate in health insurance plans?
- Have the physical assets been adequately maintained? At the termination of the Lease, what are the assets that would be returned to us?
- Has the Lease resulted in a reduction of cost to the community?
- Has the lessee met its obligations regarding the delivery of care to the indigent?
- Has the lessee maintained its tax exempt status?

Study Highlights



- Objectives
- Peer Groups
- Findings
 - Financial Management
 - Quality Care
 - Maintenance of and Investment in Physical Assets
 - Costs to the Community
 - Indigent Care
 - Tax Exempt Status

Overview of Study

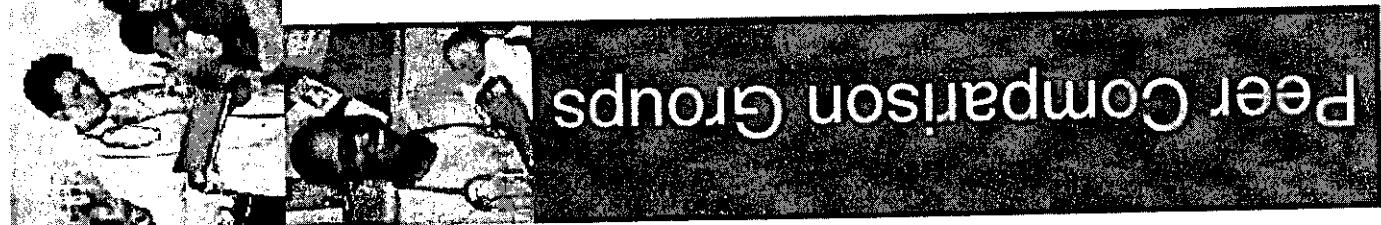
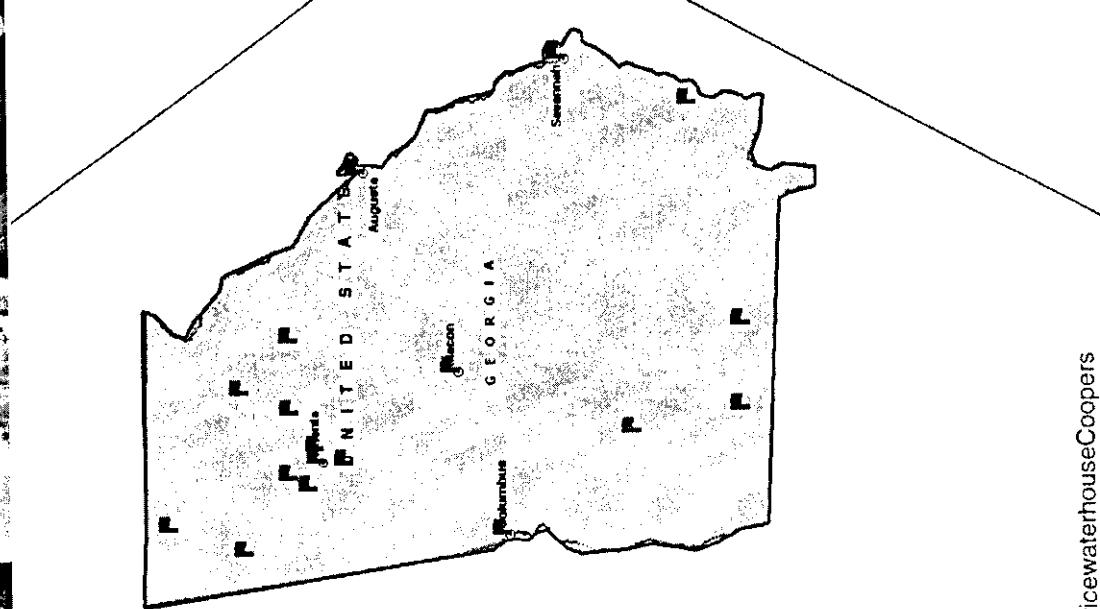
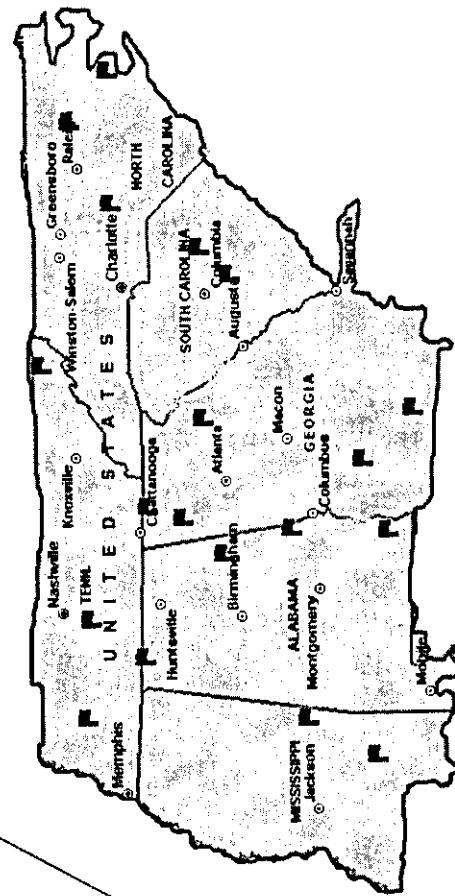


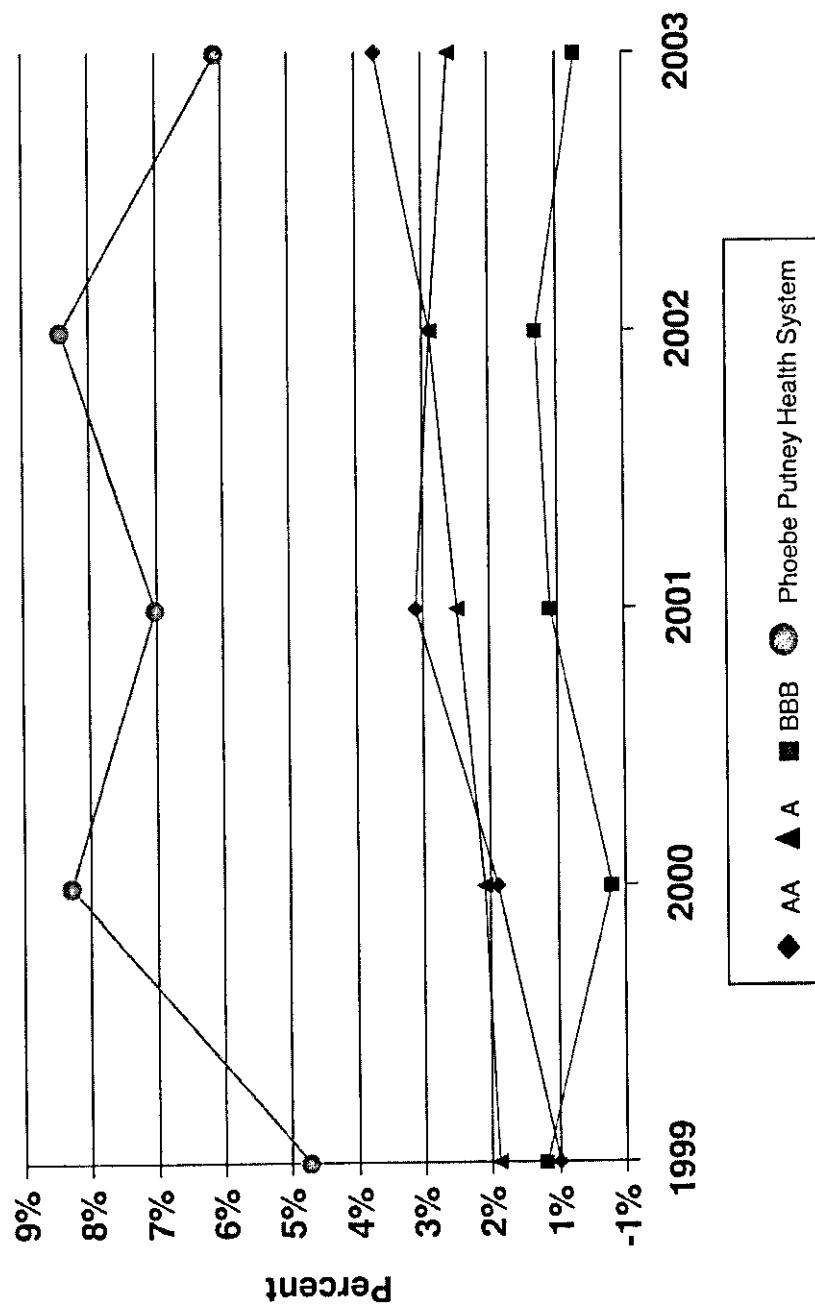
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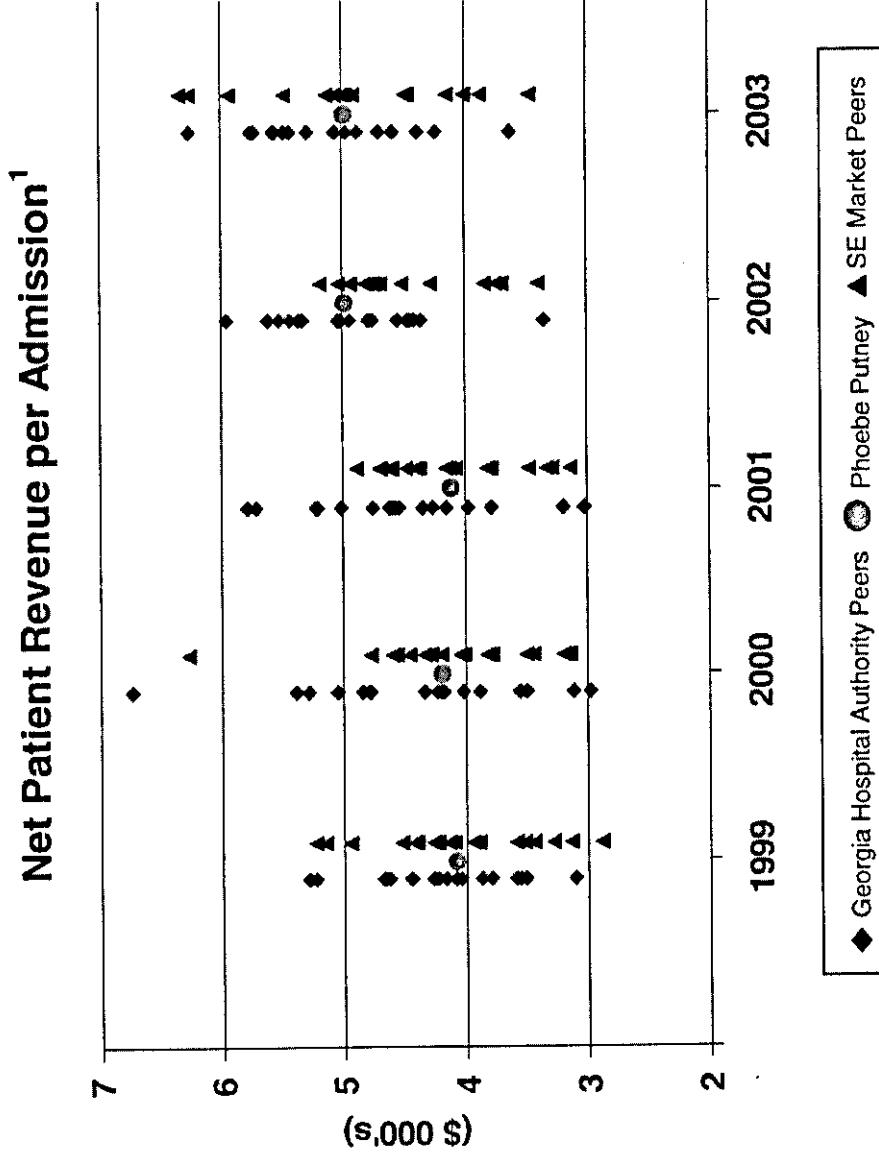
- Phoebe Putney maintains a “AA” bond rating
- Net patient revenue per admission and operating cost per admission are comparable to demographic and regulatory peer groups.
- Phoebe Putney’s operating margin percent, long-term debt to capitalization, and liquidity ratios approximate or favorably exceed median “AA” values.

Financial Management

Operating Margin Trend Comparison



Sources: Standard and Poor's US Not-For-Profit Median Health Care Ratios Reports
Phoebe Putney Health System Audited Financial Statement

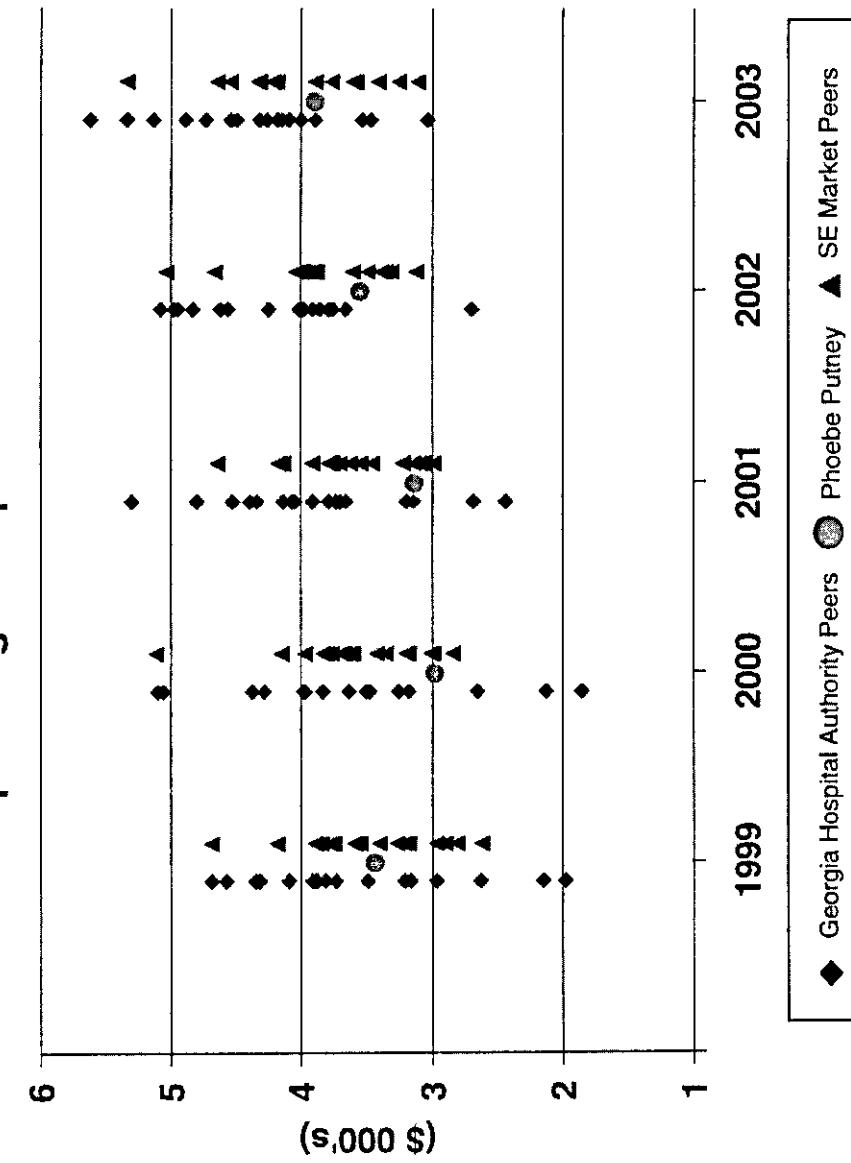


¹Adjusted for inpatient and outpatient volume and revenue, and differences in patient acuity levels.

Source: Solucient Provider View



Operating Cost per Admission¹



¹Adjusted for inpatient and outpatient volume and revenue, and differences in patient acuity levels.

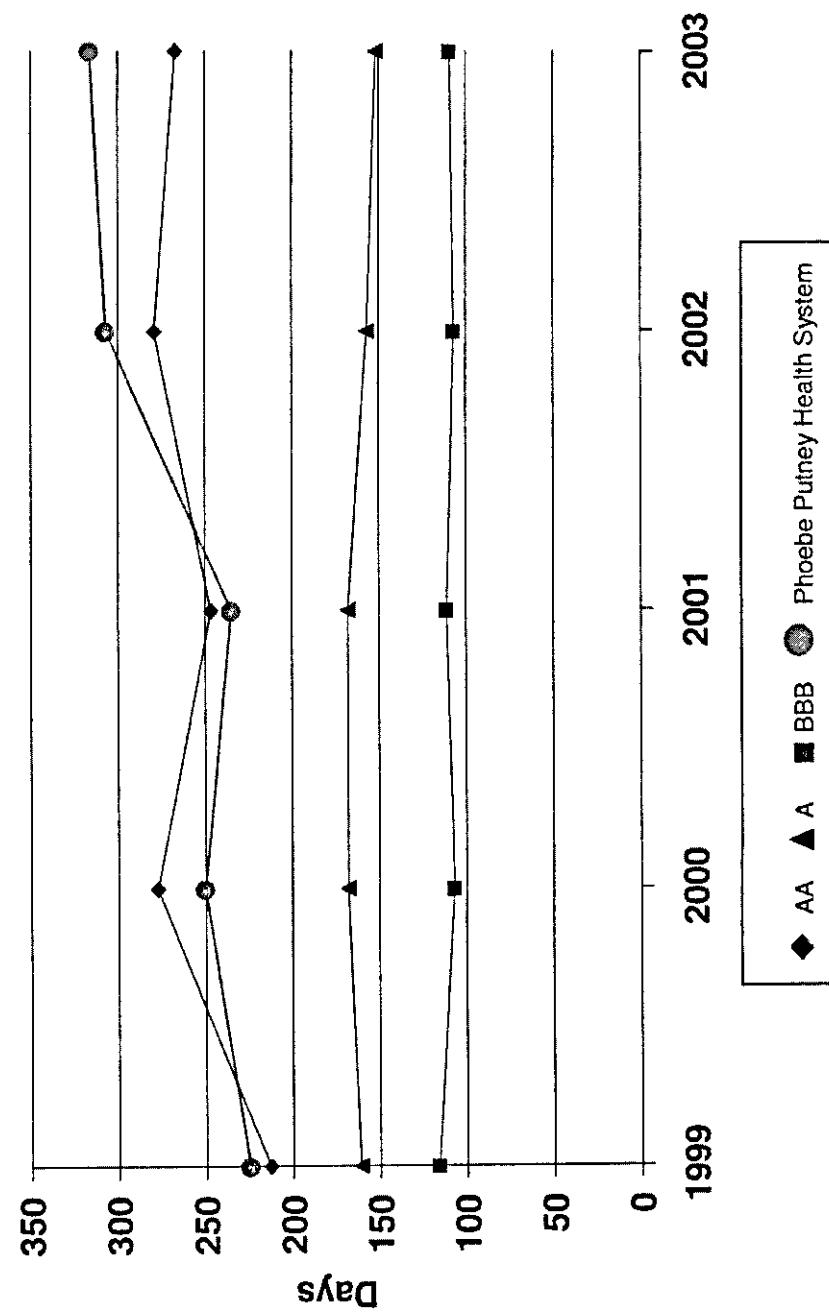
Source: Solgent Provider View

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Financial Management



Days Cash on Hand Trend Comparison



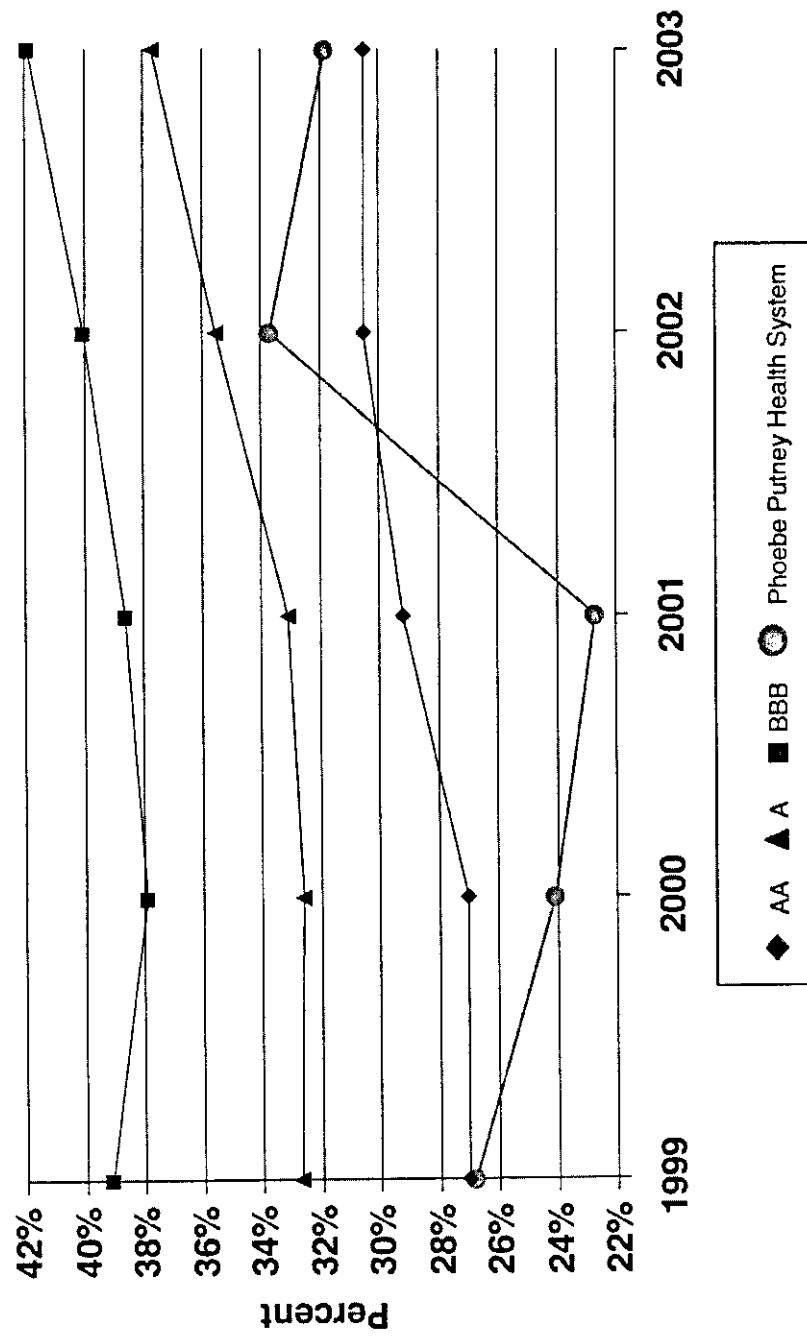
Sources: Standard and Poor's US Not-For-Profit Median Health Care Ratios Reports
Phoebe Putney Health System Audited Financial Statements

PricewaterhouseCoopers

Financial Management



Long Term Debt to Capitalization Trend Comparison



Sources: Standard and Poor's US Not-For-Profit Median Health Care Ratios Reports
Phoebe Putney Health System Audited Financial Statements

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Financial Management



- Utilized HealthShare One™ methodologies and 2003 MedPAR data to compare quality.
- Phoebe Putney compared favorably overall with the peer groups.
- Major driver of quality of care is still the physician.

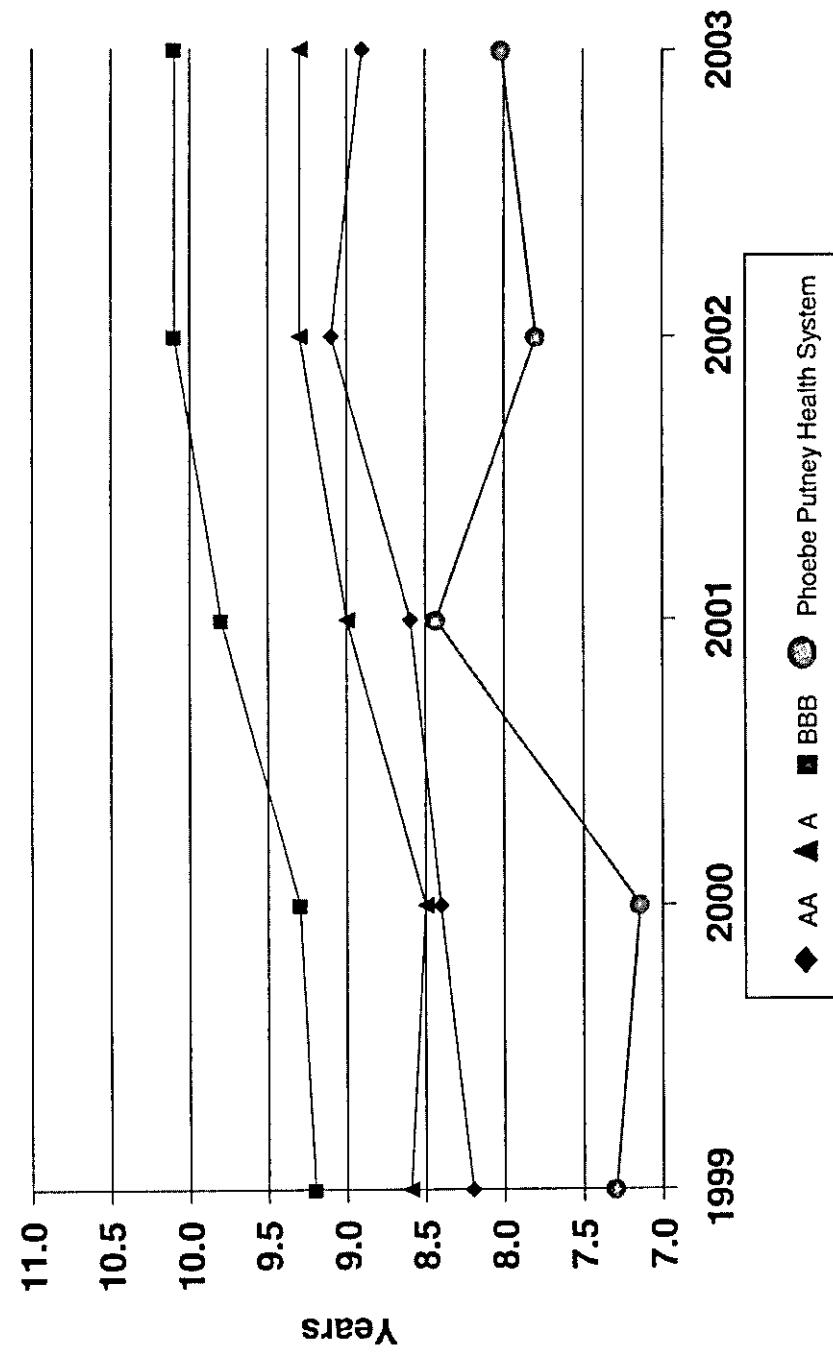
Quality of Care



- Phoebe Putney's Average Age of Plant compares favorably to the median Standard and Poor's AA rated hospitals.
- Investment in plant and equipment has increased significantly over the term of the Lease.

Maintenance of and Investment
in Physical Assets

Average Age of Plant Trend Comparison



Sources: Standard and Poor's US Not-For-Profit Median Health Care Ratios Reports
Phoebe Putney Health System Audited Financial Statements

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Maintenance of and Investment
in Physical Assets

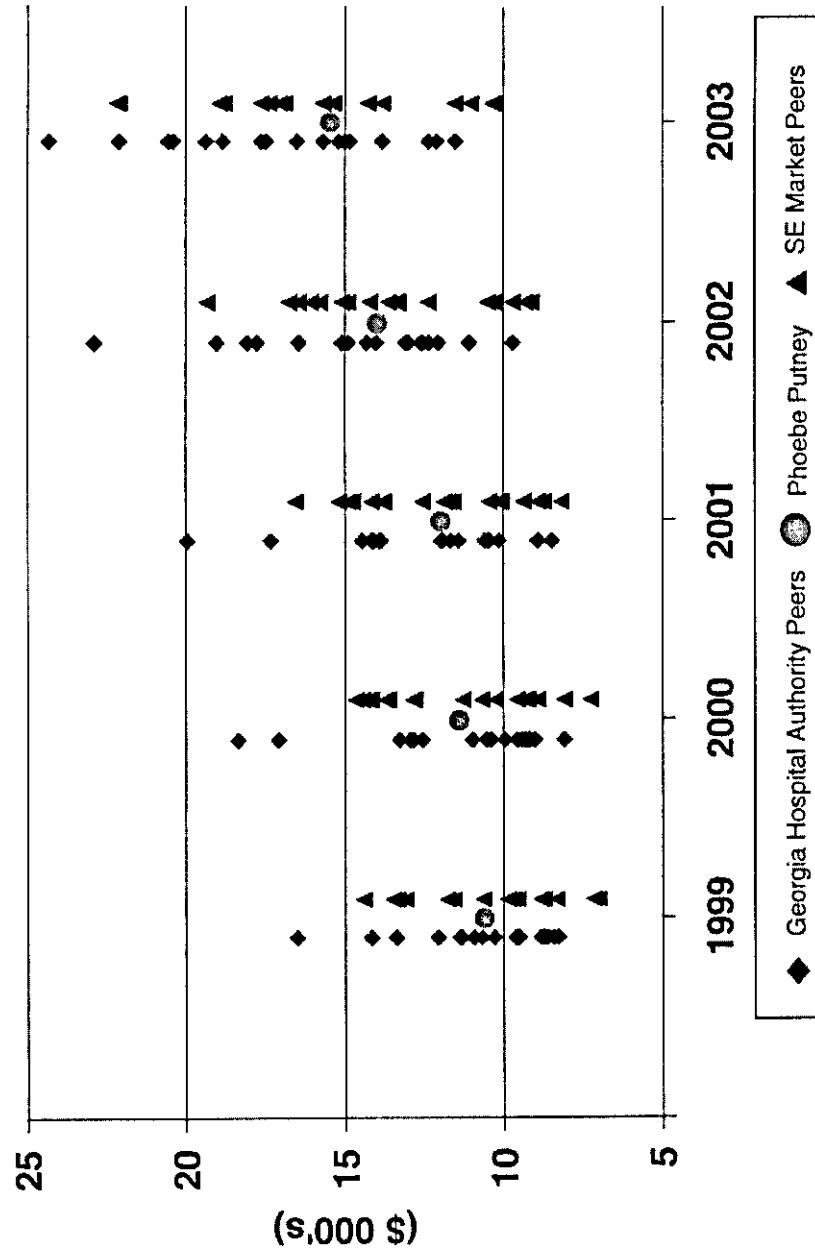


- Phoebe compares favorably to its peers based on average charge per admission.
- Charges by service line indicate reasonable rates compared to peer groups.
- Inpatient stays compare favorably to peer groups.

COST TO THE COMMUNITY



Charges per Admission¹



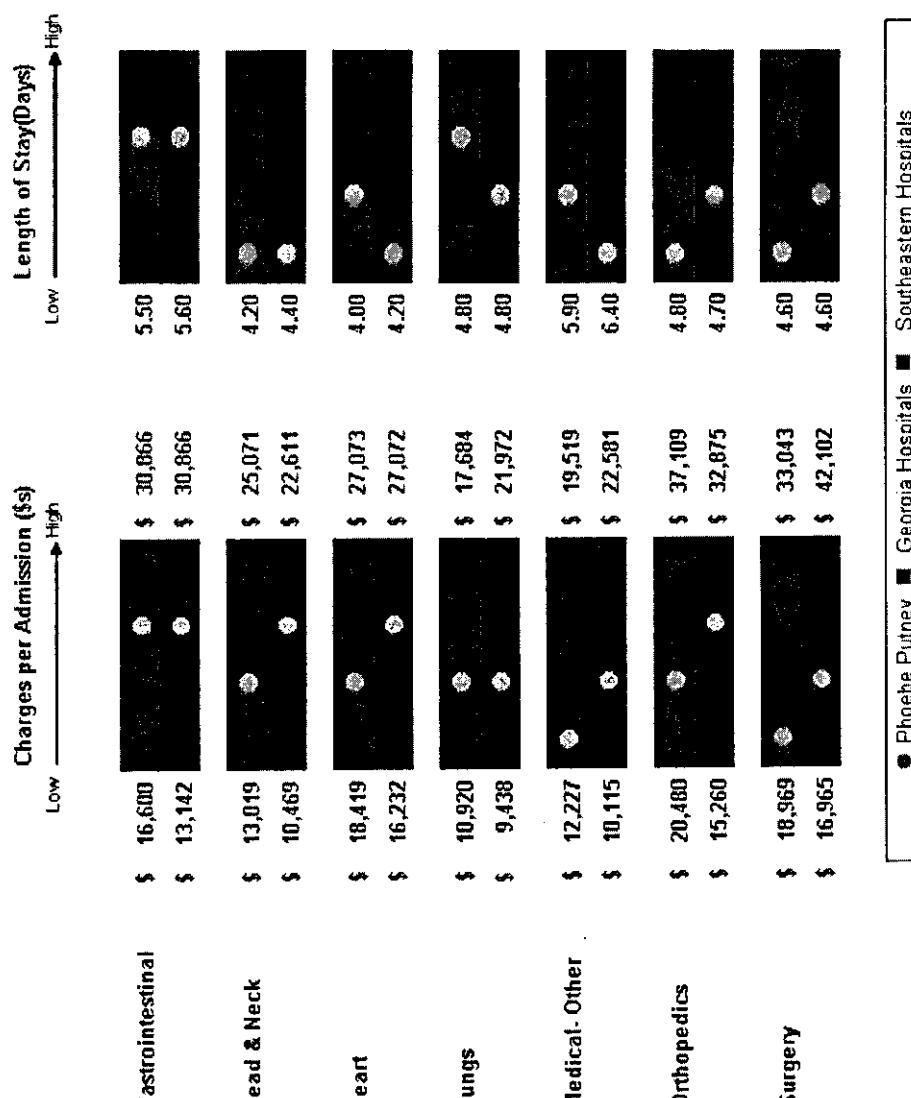
¹Adjusted for inpatient and outpatient volume and costs.

Source: Solucient Provider View

Cost to the Community



Phoebe Putney as compared to Georgia and Southeastern Hospital Peer Groups



Source- Analysis based upon HealthShare One™ MedPAR Southeast Region 2003 data

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COST to the Community

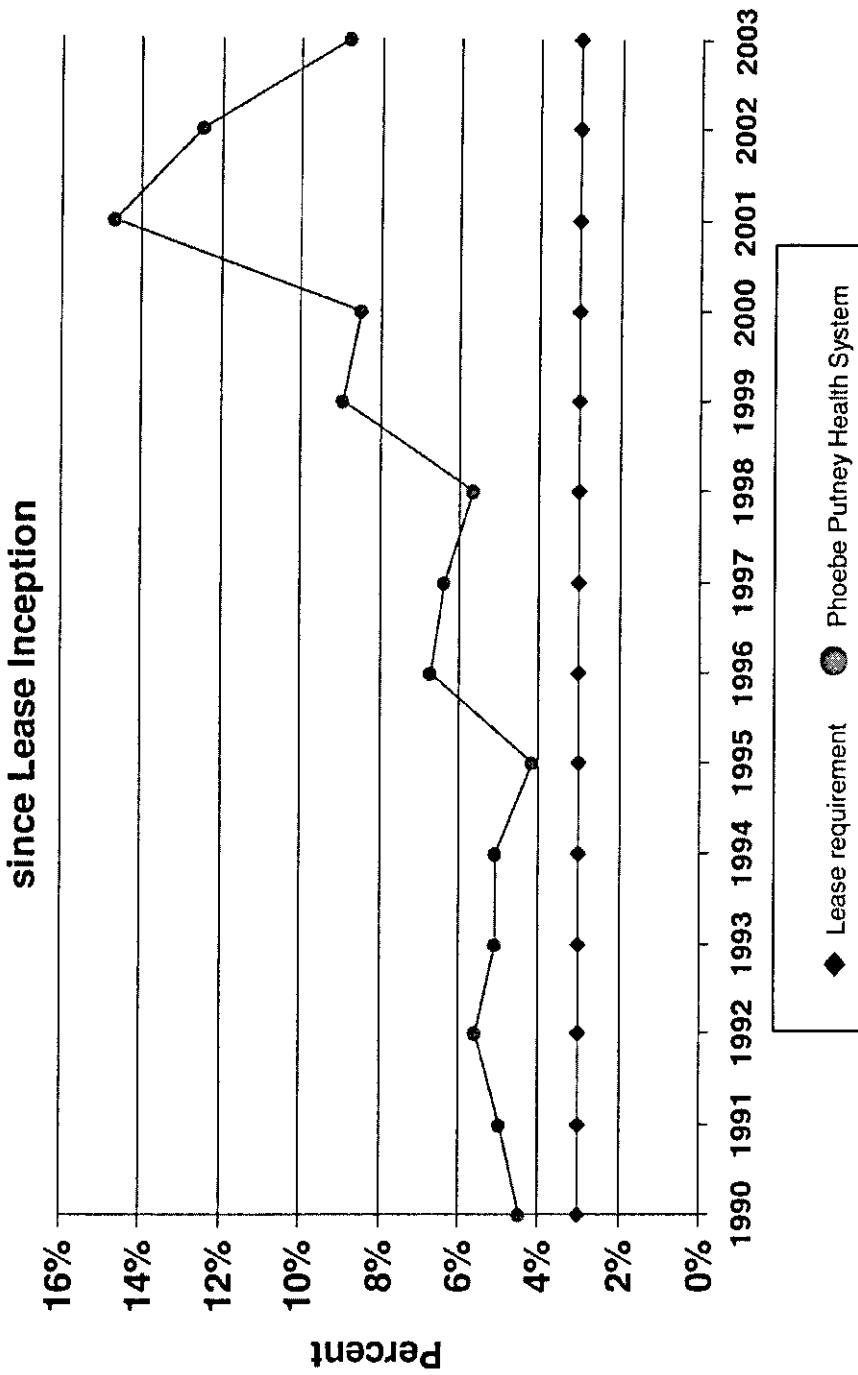


- Phoebe Putney has met its requirement under the Lease Agreement to maintain indigent care at a level at or above 3% of gross revenues.
- Phoebe Putney consistently exceeded the 3% during the Lease period.
- Phoebe Putney provides a higher level of uncompensated charity care than the average of its Georgia peers.

Indigent Care



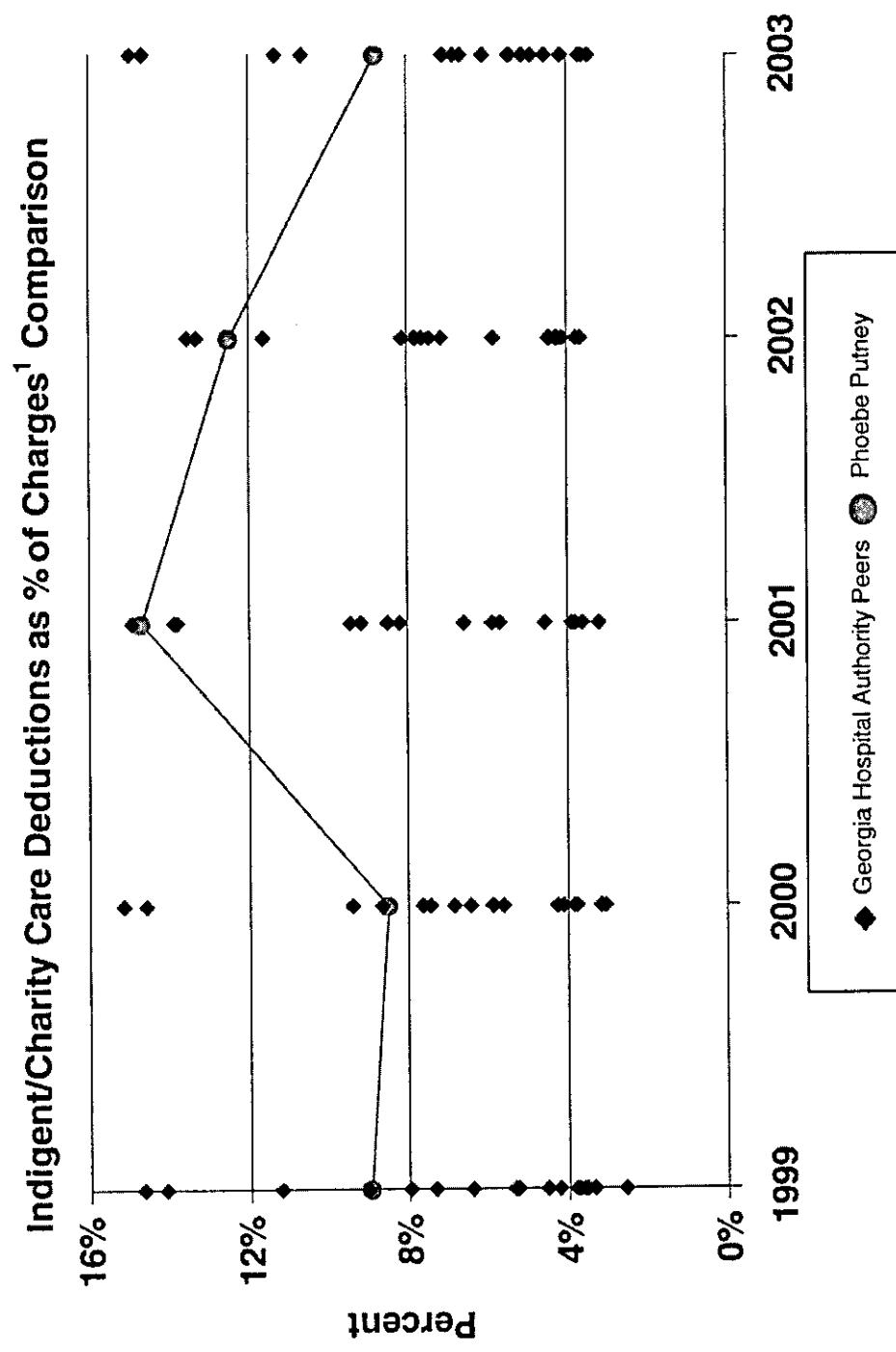
Indigent/Charity Care Deductions as % of Charges¹ since Lease Inception



¹Charges as described in lease agreement

Source: Annual Hospital Financial Survey Georgia Department of Community Health

Indigent Care



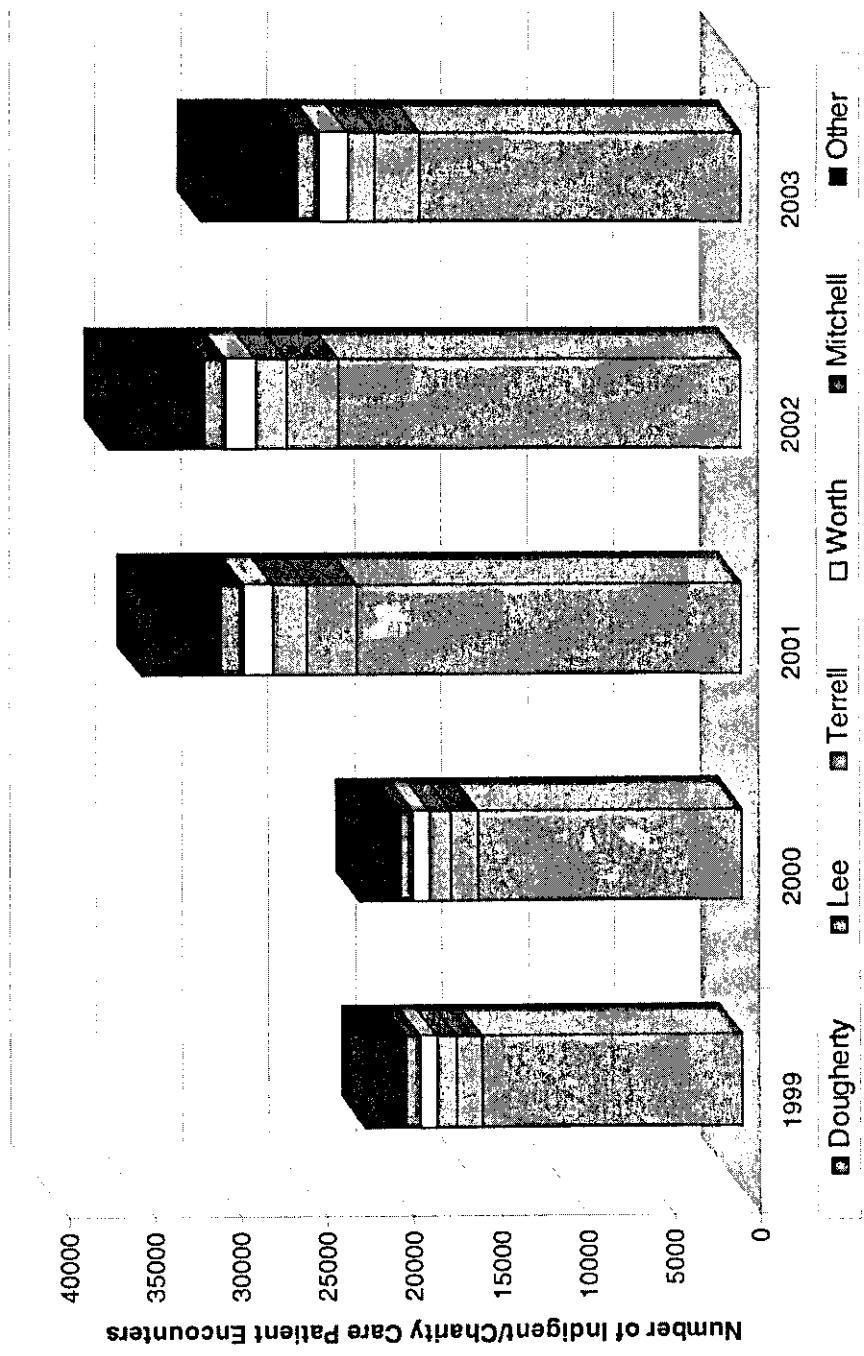
Source: Annual Hospital Financial Survey Georgia Department of Community Health

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Indigent Care



Indigent/Charity Care Patient Origin by County



Source: Annual Hospital Financial Survey

PricewaterhouseCoopers

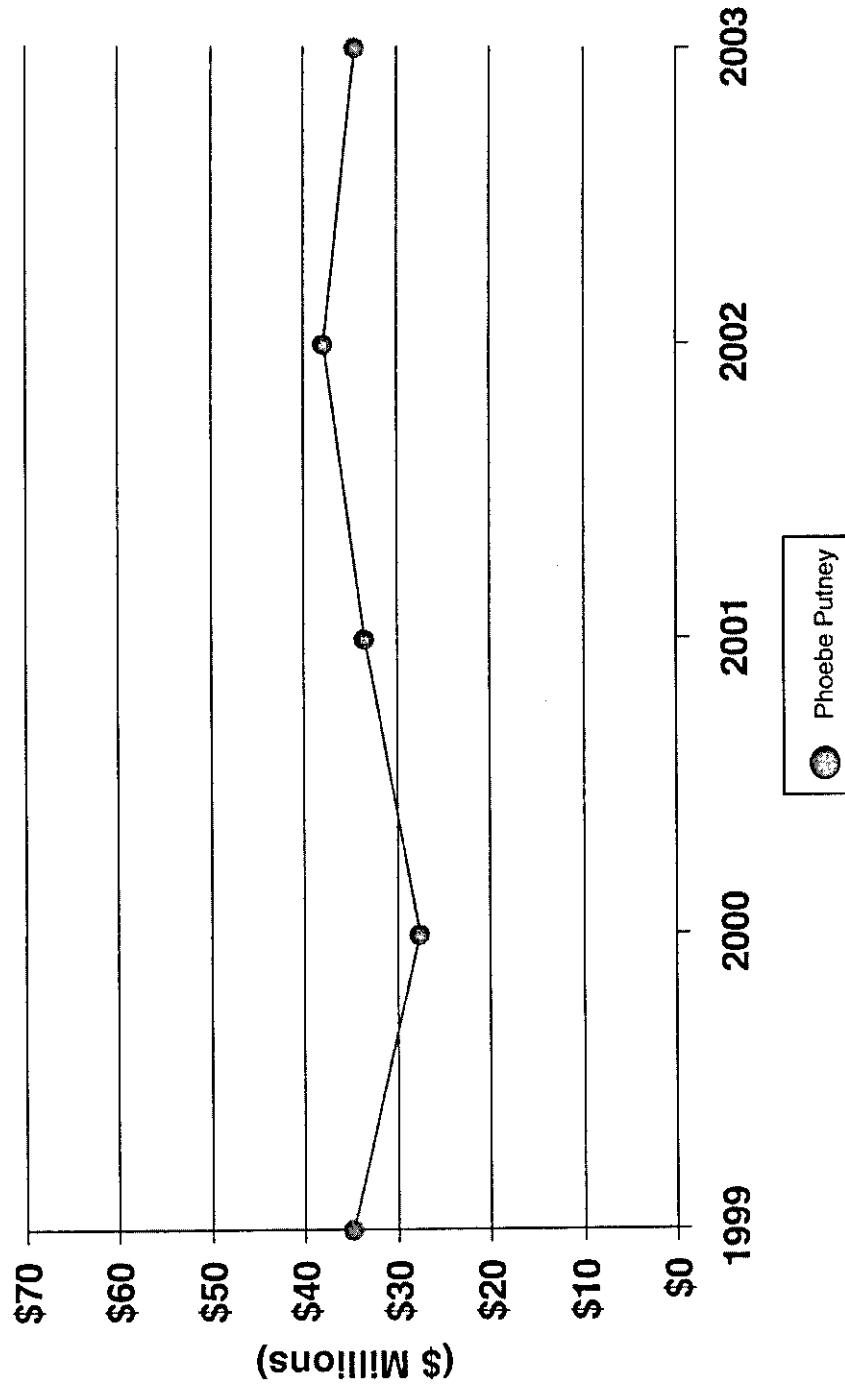
Indigent Care



- Hospitals maintain exempt status until revoked.
- Phoebe Putney compared favorably to its peer groups on reported community benefit disclosed on Form 990.
- Phoebe Putney has significantly invested in expanding service capabilities and access to an expanded service area during the term of the Lease.

Tax Exempt Status

Total Contributions to the Community



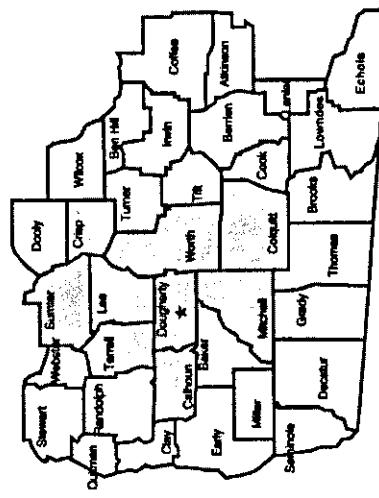
Source: Phoebe Putney Memorial Hospital Financial Audited Financial Statements

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Tax Exempt Status



Phoebe Putney Memorial Hospital

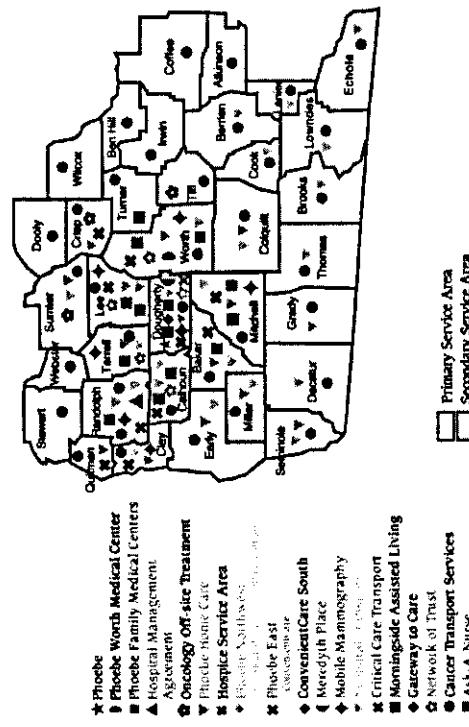


★ Phoebe
Primary Service Area
■ Secondary Service Area

Phoebe Putney Memorial Hospital

Current

At Lease Inception



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Tax Exempt Status



Discussion

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